

PREPARED FOR LITIGATION

CONFIDENTIAL

KOTLER COMMUNICATIONS PLAN

Second Draft

Feb. 12, 1990

Subject to Revision

Summary

The following is a working plan for responding to whatever verdict -- win, lose, split/something in between -- is delivered by the jury in the Kotler trial. This plan should be reviewed and adjusted throughout the trial to take into account pertinent developments as they arise. A final and complete review of the plan with full participation of counsel and public relations teams should take place (1) during closing arguments and (2) again, with rehearsal/briefing of spokesperson(s) after the jury has been charged. The reasons for the double check are two-fold:

- 1.. the possibility that the jury will return with a quick verdict;
- 2.. to take into account potential nuances in the verdict arising from the judge's interrogatories.

While a full court press/satellite media tour/mass distribution of editorial materials will be discussed later, a reaction of that nature does not appear necessary at this time. However, the need to do so must be assessed constantly, and a final decision must be reached by a time determined by Richard Frisch/VISNEWS that allows for the set up of a studio and the hiring of a crew. Frisch is currently writing up a timeline to help determine our drop dead date.

In addition, we should keep in mind that a decision in Dewey may coincide with a verdict in Kotler, in which case our focus will necessarily be on Dewey.

Implementation -- Verdict Day

As soon as the jury's return has been announced, the communications team will be standing by at the courthouse for the post-verdict plan.

1. As soon as a verdict is reached, a designated person uses a prearranged phone to call New York management of Philip Morris, Lorillard, RJR, Liggett, Brown & Williamson.

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Needs: A. Who should make the calls

B. Who do we call, what numbers

C. What phone(s) to use. According to a 2/7 memo from C.A. Gravley/A&P to Clare Purcell/PM, some mobile phones will be available. While these provide instant access, a security issue is involved. If mobile phones are used, only the facts can be communicated.

2. Attorneys and communications team huddle to decide which position to take on the verdict. A position statement for distribution on PR/Business wires should be developed by a designated member of the communications team and should be approved by a designated authority onsite.
3. Once the basic message for the verdict has been agreed upon, designated trial counsel should take questions from print/broadcast reporters on courthouse steps. Given the devandant's history of not responding to media, reporters are likely to be hungry for any comment, especially in the event of a loss or split verdict.

Need: Determine if courthouse steps interviews by our spokespeople will be acceptable to American, our counsel. If not, our spokesperson(s) should field calls from local law offices or hotel. (see point 5)

Since we are not part of the trial and will therefore not be maintaining ongoing contact with reporters through the trial, there will be reporters who do not recognize or are unfamiliar with our spokesperson(s), e.g., Chuck Wall, or members of our public relations team. As a result, the communications team will likely have to pursue, somewhat aggressively, reporters for interviews. However, every subtle effort should be made to identify key reporters during the course of the trial, especially wire services.

4. If the verdict comes in early enough in the day, e.g., 12:00 noon, our spokesperson(s) should be able to field questions on the courthouse steps until all reporters needs have been met before moving to a designated location to field calls from other interested media. If the verdict comes in late, a secondary spokesperson should be identified to field those telephone calls while the primary spokesperson is still at the courthouse.

As best as possible, the communications team should identify and keep a log of all reporters who interview our spokesperson(s) at the courthouse or by phone should proactive follow-up be necessary.

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5. After interviews on the courthouse steps, spokesperson(s) should quickly move to a predesignated location (law offices or hotel) to respond to telephone inquiries.

Goodman, Procter & Hoar
Exchange Place.
(617) 570-1000
(main switchboard).

Hotel Meridien
250 Franklyn St.
(617) 451-1900
Valerie Pappas, sales mgr.

Someone at Philip Morris and Lorillard in New York should be designated to receive all inquiries relating to the trial/verdict. That individual should take the name and phone number of the reporter and determine his/her deadline. A second individual at Philip Morris and Lorillard should also be designated to call a dedicated incoming phone number at our Boston location to communicate the above information. The communication team in Boston will determine call back priorities. The spokesperson(s) will then call the reporters on one or more dedicated outgoing lines.

The phone number of the dedicated incoming line will also be given to reporters after the telephone interviews are completed should they need more information. However, no interviews will take place on the incoming line. All follow-up calls from reporters will require our spokesperson(s) to return the call.

Editorial Materials

The editorial materials used in the Cipollone trial should be reviewed, approved and produced in case they are needed for distribution following a negative verdict. They are: The History of Tobacco Litigation, Historic Awareness (Cigarette Smoking and Health Risks: Four Centuries of Information and Public Awareness), Freedom of Choice/Personal Responsibility.

A fourth paper on addiction should be added to the package if necessary and appropriate, pending review and approval. All above mentioned papers (and others) are in the hands of counsel.

Distribution of these materials to editorial writers and columnists along with a cover letter that delineates our basic position should take place in the event of a seriously negative verdict.

Spokespersons

Multiple spokespersons should be considered to deal with a negative verdict. In that time and circumstance may be such that a single spokesperson will not be sufficient. (Similarly, multiple outgoing telephone lines may also be necessary.) In addition, requests for live TV appearances should be met in the event of a significant negative verdict.

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Analysts

Need to identify our key analysts, phone numbers so we can

1. notify them of the verdict, provide them with our interpretation
2. provide their names and phone numbers to journalists

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Key Media.

(Awaiting Edelman input)

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Analyst Contacts

Diana Temple
Salomon Brothers

Marc Cohen
Sanford Bernstein

MaryAnn Yacullo
Smith Barney

Larry Edelman
Dean Witter

Calvert Crary
Martin Lube

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